



THOMAS L. GARTHWAITE, M.D.
Director and Chief Medical Officer

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COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES
313 N. Figueroa, Los Angeles, CA 90012
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352
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April 28, 2005

Agenda Date: May 10, 2005

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**PUBLIC HEALTH LABORATORY RELOCATION PROJECT
APPROVED REVISED PROJECT BUDGET
3 VOTES
C.P.Nos. 86602**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE
OFFICER AND DIRECTOR OF THE INTERNAL SERVICES DEPARTMENT
THAT YOUR BOARD:**

1. Approve the revised total project cost of \$15,160,000 for the Public Health Laboratory Relocation Project.
2. Approve the attached appropriation adjustment in the amount of \$2,350,000 to reallocate net County cost from the 2004-05 Public Health salary and employee benefits budget to Capital Project No. 86602 (Attachment A).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will provide additional funding to cover unanticipated costs and ensure completion of the Public Health Laboratory on the south campus of Rancho Los Amigos.

Background

On May 27, 2003, your Board established Capital Project No. 86602 to refurbish the 30,000 square foot 1100 Building on the south campus of Rancho Los Amigos to accommodate the relocation of the current Public Health Laboratory from 313 North Figueroa Street and provide enhanced capabilities. The project was initially scheduled for completion on November 30, 2004 with a total cost of \$9.1 million, funded by a grant from the Center for Disease Control (CDC).

Your Board authorized increases in the project budget on June 29, 2004 and September 14, 2004 to \$12.8 million to accommodate the addition of a chemistry laboratory into the project that was requested by CDC and appurtenant upgrades to the building's mechanical and utility systems. With the concurrence of CDC, the project's completion date was extended to April 30, 2005. To date, \$10.7 million has been expended and/or encumbered for the project.

Project Delay and Cost Increase

In February 2005, it became apparent that the heavy winter rains experienced by the region, combined with several unforeseen issues related to the addition of the chemistry laboratory and rising material costs, would result in a delay in the project's completion as well as an increase in the project's cost. As a result of these factors, the Internal Services Department (ISD), Department of Health Services (DHS), and Chief Administrative Office (CAO) have determined that a 16 to 18 week delay in completion of the project is unavoidable. Also, it was determined that an additional \$2.35 million in funding would be required to complete the project. This additional funding, not anticipated at your Board's previous actions, consists of the following:

- \$1,500,000 to fund design and construction changes related to the incorporation of the CDC-requested chemistry laboratory and its specialized equipment. Such changes include additional alterations to the building's HVAC, electrical, gas, and plumbing systems as well as additional strengthening of the building's foundations and roof,
- \$210,000 to fund recovery efforts required during and following the winter storms, and

- \$640,000 to fund the additional costs associated with the rising costs of construction materials.

Analysis of the project's schedule established that unanticipated delays in the fabrication of the structural steel components resulted in a project delay of six weeks. Winter rains flooded the project site and delayed refurbishment activities by an additional ten weeks. As a result, project completion is now expected in September 2005.

CDC has been informed of the revised project schedule and is supportive of the County's efforts to complete the project. Approval of the recommended actions will increase the project budget by \$2.35 million to \$15.2 million.

Implementation of Strategic Plan Goals

The recommended Public Health Laboratory Relocation Project supports the County's Strategic Plan goal of Service Excellence by better equipping Public Health to serve County agencies and residents.

FISCAL IMPACT/FINANCING

Total project costs are now estimated at \$15,160,000. The project is currently funded by CDC grants of \$10,575,000 and \$2,235,000 in net County cost that was transferred to the project from prior year Public Health operating budgets. Upon your Board's approval of the attached appropriation adjustment, \$2,350,000 will be transferred from the 2004-05 Public Health salary and employee benefits budget to C.P. No. 86602 and the project will be sufficiently funded.

As noted when the Board approved this project, there will be no change in the operating costs resulting from the relocation of the Public Health Laboratory, nor will the number of employees or basic laboratory operations be affected.

ENVIRONMENTAL DOCUMENTATION

The incorporation of the Chemistry Laboratory to the project has been reviewed and determined to be categorically exempt under CEQA, Section 15301 (a), and under 1 (d) of the County of Los Angeles Environmental Document and Guidelines adopted by your Board on November 17, 1987.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The design and renovation phases of this project will have no impact on current County services. Relocation of the Public Health Laboratory will take place following completion of the renovation, and no significant interruption of laboratory services is anticipated.

There will be no negative impact to County employees.

CONCLUSION

Please return one copy of this letter to the Chief Administrative Office (Capital Projects), Department of Health Services, and the Internal Services Department.

Respectfully submitted,



Dave Lambertson
Director Internal Services Department



David E. Janssen
Chief Administrative Officer



Dr. Thomas L. Garthwaite
Director, Department of Health Services

DL:DEJ:TLG:pl

Attachment

c: Executive Officer, Board of Supervisors
County Counsel

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENT
 DEPARTMENT OF Health Services

DEPT'S.
No.April 27, ~~xx~~ 2005**AUDITOR-CONTROLLER.**

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR**3-VOTE****SOURCES:**

Public Health
 Salaries & Employee Benefits
 A01-HS-23450-1000 \$2,350,000

TOTAL: \$2,350,000

USES:

Various Capital Projects/Refurbishments
 Public Health Laboratory
 Relocation and Renovation Project
 Building & Improvements
 A01-HS-86602-6014 \$2,350,000

TOTAL: \$2,350,000

Justification:

This adjustment is necessary to reallocate existing appropriation under Salaries and Employee Benefits from Public Health to the Capital Projects Budget in order to supplement the Public Health Laboratory Relocation and Renovation Project (Capital Project #88602). There is no impact on operating subsidy.

EM:fl
 04/27/05


 Efrain Munoz, Chief
 DHS-Controller's Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
 ADMINISTRATIVE OFFICER FOR—

ACTION

RECOMMENDATION

APPROVED AS REQUESTED

AS REVISED

April 27, 2005

CHIEF ADMINISTRATIVE OFFICER

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

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BY

DEPUTY COUNTY CLERK

AUDITOR-CONTROLLER BY John T. [Signature]No. 329

APRIL 27 2005